Wilfredo Gajda
769 Pelham Road
New Rochelle , NY 10805

FREEDOM OF INFORMATION - REQUEST CLOSED
FOIL #2025-03-0049: 2024 Investment Policy

03/24/2025

Dear Wilfredo Gajda,

The Freedom of Information records request that you submitted to the City of New Rochelle, New York as referenced above has been filled with the following remarks:

See Attached Response:
Finance:

Sincerely,
Kim Jones
Kim Jones
Records Access Officer
City of New Rochelle, New York

cc: Law Department

Chapter 42. Investment Policy

[HISTORY: Adopted by the Mayor and Council of the City of New Rochelle 11-23-1993 by Ord. No. 251-1993.[1] Amendments noted where applicable.]

[1] *Editor's Note: This ordinance also provided for the repeal of former Ch. 42, Investment Policy and Guidelines, adopted 7-15-1986 by Res. No. 162.*

§ 42-1. Scope.

This investment policy applies to all moneys and other financial resources available for investment on its own behalf or on behalf of any other entity or individual.

§ 42-2. Objectives.

The primary objectives of the local government's investment activities are, in priority order:

A. To conform with all applicable federal, state and other legal requirements (legal);

B. To adequately safeguard principal (safety);

C. To provide sufficient liquidity to meet all operating requirements (liquidity); and

D. To obtain a reasonable rate of return (yield).

§ 42-3. Delegation of authority.

The governing board's responsibility for administration of the investment program is delegated to the chief fiscal officer, who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate control structure to provide a satisfactory level of accountability based on a data base or records incorporating descriptions and amounts of investments, transaction dates and other relevant information and regulate the activities of subordinate employees.

§ 42-4. Prudence.

A. All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the City of New Rochelle to govern effectively.

B. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudent discretion and intelligence exercise in management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

C. All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to

make impartial investment decisions.

§ 42-5. Diversification.

It is the policy of the City of New Rochelle to diversify its deposits and investments by financial institution, by investment instrument and by maturity scheduling.

§ 42-6. Internal controls.

A. It is the policy of the City of New Rochelle for all moneys collected by any officer or employee of the government to transfer those funds to the chief fiscal officer within two days of deposit.

B. The chief financial officer is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly and are managed in compliance with applicable laws and regulations.

§ 42-7. Designation of depositories.

[Amended 9-27-1994 by Ord. No. 209-1994; 1-20-1998 by L.L. No. 14-1998; 1-19-1999 by Ord. No. 17-1999; 6-18-2002 by Ord. No. 120-2002; 1-16-2007 by Ord. No. 9-2007]
The following banks and trust companies are authorized for the deposit of moneys:

A. The Bank of New York.

B. JP Morgan Chase Bank.

C. Bank of America.

D. HSBC.

E. Wachovia Bank/Wells Fargo Bank.
[Amended 2-10-2009 by Ord. No. 25-2009]

F. Signature Bank.

G. Hudson Valley Bank.

H. Key Bank.
[Added 2-10-2009 by Ord. No. 25-2009[1]]
[1] *Editor's Note: This ordinance also repealed former Subsection H, Union State Bank.*

I. Citibank.
[Added 5-20-2015 by Ord. No. 103-2015[2]]
[2] *Editor's Note: This ordinance also repealed former Subsection I, Banco Popular.*

J. Webster Bank.
[Added 5-20-2015 by Ord. No. 103-2015[3]]
[3] *Editor's Note: This ordinance also repealed former Subsection J, Citizens Bank.*

K. People's United Bank.
[Added 5-20-2015 by Ord. No. 103-2015[4][5]]
[4] *Editor's Note: This ordinance also repealed former Subsection K, Citibank, added 3-18-2008 by Ord. No. 43-2008.*

[5] *Editor's Note: Former Subsection L, Webster Bank, added 2-10-2009 by Ord. No. 25-2009, which immediately followed this subsection, was repealed 5-20-2015 by Ord. No. 103-2015.*

§ 42-8. Collateralizing deposits.

[Amended 1-20-1998 by L.L. No. 14-1998; 1-19-1999 by Ord. No. 17-1999]
In accordance with the provisions of General Municipal Law § 10, all deposits of the City of New Rochelle, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

A. By a pledge of eligible securities or a pledge of a pro rata portion of a pool of eligible securities with an aggregate market value as provided by General Municipal Law § 10, equal to the aggregate amount of deposits from the categories designated in Appendix A (§ **42-14**) to the policy.
[Amended 1-16-2007 by Ord. No. 9-2007]

B. By an eligible irrevocable letter of credit issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed-upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.

C. By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

§ 42-9. Safekeeping and collateralization.

A. Eligible securities used for collateralizing deposits shall be held by separately incorporated banks or trust companies subject to security and custodial agreements.

B. The security agreement shall provide that eligible securities or a pro rata portion of a pool of eligible securities is being pledged to secure local government deposits, together with agreed-upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the City of New Rochelle or its custodial bank.
[Amended 1-16-2007 by Ord. No. 9-2007]

C. The custodial agreement shall provide that securities or a pro rata portion of a pool of eligible securities held by the bank or trust company or agent of and custodian for the local government will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposits or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.
[Amended 1-16-2007 by Ord. No. 9-2007]

D. The City Manager or chief financial officer of the City of New Rochelle is hereby authorized to enter into such security and custodial agreements with the designated depositories.

§ 42-10. Permitted investment.

A. As authorized by General Municipal Law § 11, the City of New Rochelle authorizes the chief financial officer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

(1) Special time deposit accounts.

(2) Certificates of deposit.

(3) Obligations of the United States of America.

(4) Obligations guaranteed by agencies of the United States of America.

(5) Obligations of the State of New York.

(6) Obligations issued pursuant to Local Finance Law § 24.00 or 25.00 (with approval of the State Comptroller) by any municipality or school district corporation other than the City of New Rochelle.

(7) Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general state statutes governing such entities or whose specific enabling legislation authorizes such investments.

(8) Certificates of participation (COP's) issued pursuant to General Municipal Law § 109-b.

(9) Obligations of this local government, but only with any moneys in a reserve fund established pursuant to General Municipal Law § 6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m or 6-n.

B. All investment obligations shall be payable or redeemable at the option of the City of New Rochelle within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys shall be payable or redeemable at the option of the City of New Rochelle within two years of the date of purchase.

§ 42-11. Authorized financial institutions and dealers.

The City of New Rochelle shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be creditworthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the City of New Rochelle. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The chief financial officer is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodians. Such listing shall be evaluated at least annually.

§ 42-12. Purchase of investments.

A. The chief financial officer is authorized to contract for the purchase of investments:

(1) Directly, including through a repurchase agreement from an authorized trading partner.

(2) By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5-G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46 and the specific program has been authorized by the governing board.

(3) By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

B. All purchased obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the City of New Rochelle by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law § **10.**

C. The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreements shall include all provisions necessary to provide the local government a perfected interest in the securities.

§ 42-13. Repurchase agreements.

Repurchase agreements are authorized subject to the following restrictions:

A. All repurchase agreements must be entered into subject to a master repurchase agreement.

B. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.

C. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.

D. No substitution of securities will be allowed.

E. The custodian shall be a party other than the trading partner.

§ 42-14. Appendix A: Schedule of Eligible Securities.

[Amended 1-20-1998 by Ord. No. 14-1998; 1-19-1999 by Ord. No. 17-1999]
The Schedule of Eligible Securities shall be as follows:

A. Obligations issued, or fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.

B. Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.

C. Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligations that represents the amount of the insurance or guaranty.

D. Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such state or obligations of any public benefit corporation which under a specific state statute may be accepted as security for deposit of public moneys.

E. Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating

organizations.

F. Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

G. Obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

H. Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.

I. Any mortgage-related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.

J. Commercial paper and bankers' acceptances issued by a bank, other than the bank, rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.

K. Zero coupon obligations of the United States government marketed as "treasury strips."